Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2020

Focus on Optum
September 2020

Background of the research

The healthcare providers in the United States spend ~US$400 billion every year on administrative services, a large part of which is revenue cycle management. This is one of the key focus areas for the providers, as it affects their cash flows and top line. More importantly, physicians and nurses end up spending a lot of time on administrative functions such as records management, and coding. According to the Medscape Physician Compensation Report 2018, nearly a third of the physicians surveyed said they spend 20 hours or more per week on paperwork and administrative tasks. This is a significant amount of time that could have been utilized in providing care to the population. The repercussions of an ineffective RCM function for any provider have been further exacerbated due to COVID-19. With many physician groups closing shops or getting acquired, and even the larger providers struggling to stay afloat, the need for an effective and efficient RCM function to save costs and prevent revenue leakages, is now more important than ever.

Healthcare providers have traditionally had more of a transactional relationship with the service providers. However, with an effective RCM strategy providing benefits far more than cost reduction, and the concept of integrated RCM (traditional RCM + care processes) picking steam, enterprises have started looking at it from a more strategic lens. Consequently, different broad categories of service providers have emerged, with some addressing the product and software needs of the enterprises, and others addressing the operations needs. Even within the operations classification, different categories of vendors such as offshore-based specialists, onshore aggregators, global IT/BPO players, and DME specialists have emerged, each with their own value proposition.

To solve enterprises needs, service providers are investing in expanding the scope of services by entering into niche processes such as medical scribing, HIM, case management, and prior authorization. The focus on technology has increased with even the offshore-based specialists, typically known for their cost arbitrage value proposition, liberally investing in technology through organic or inorganic means. Service providers are also expanding into onshore locations to create a more holistic offering. The market, hence, is constantly evolving, and through this report, we explore the operations part of the market and assess the vendor landscape

Scope of this report:

Geography
Global

Service providers
26

Services
RCM business process services

Everest Group RCM operations – services PEAK Matrix® characteristics

Everest Group classified 26 RCM operations providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the absolute market success and overall capability of service providers.

Leaders:

There are seven service providers in the Leaders category – Access Healthcare, Cognizant, GeBBS, nThrive, Omega Healthcare, Optum, and R1 RCM

Major Contenders:

The Major Contenders category has 14 service providers – AGS Health, Atos, Exela Technologies, Genpact, HCL, HGS, Himagine Solutions, IKS Health, MedAssist (Firstsource), Miramed Ajuba, NTT DATA, Sutherland Global Services, Teleperformance, and WNS
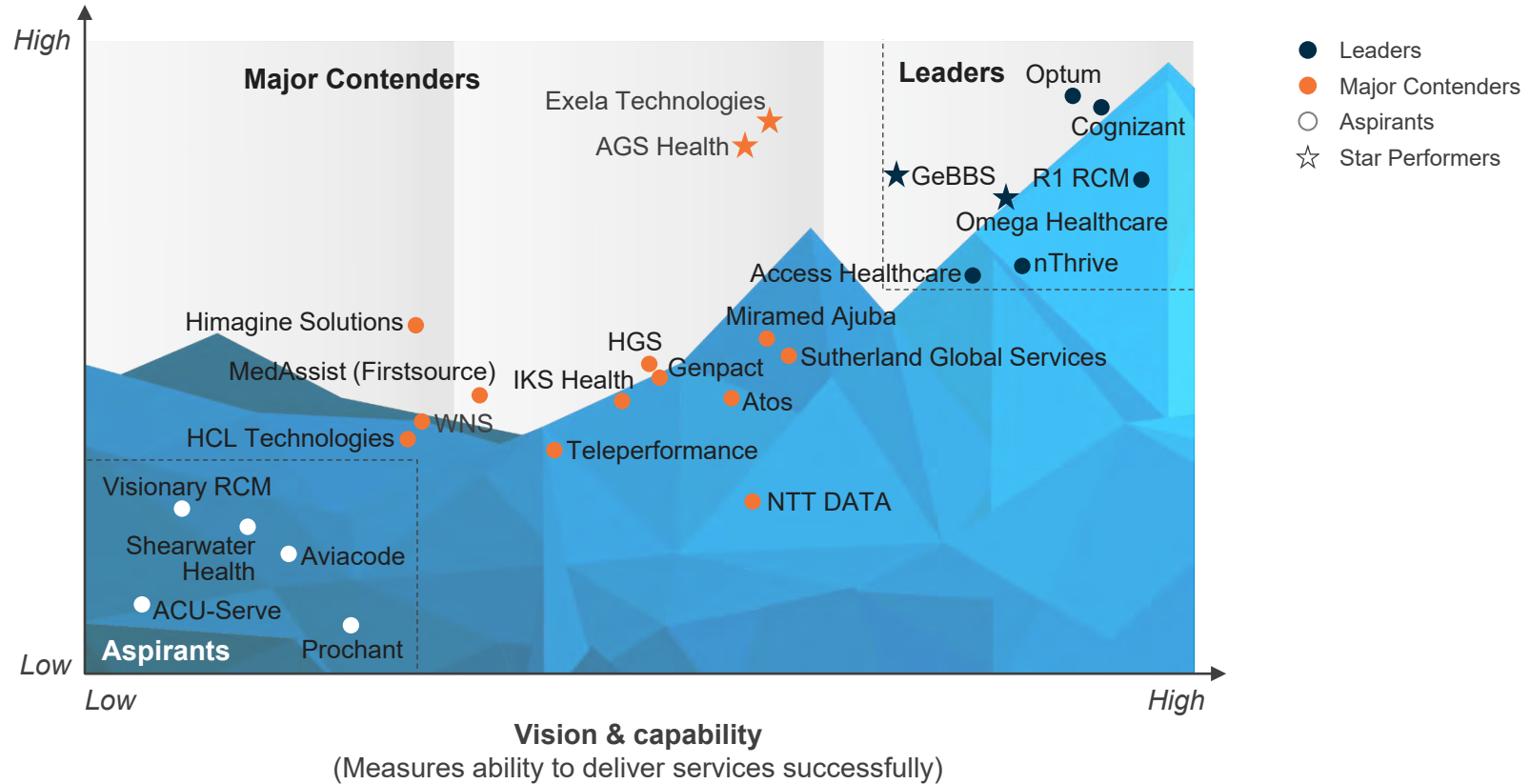
Aspirants:

ACU-Serve, Aviacode, Prochant, Shearwater Health, and Visionary RCM are Aspirants on the PEAK Matrix® for RCM BPS

Everest Group conferred the Star Performers title on providers that demonstrated the strongest forward and upward movement on the PEAK Matrix® . AGS Health, GeBBS, Exela Technologies, and Omega Healthcare are Star Performers on the RCM operations Everest Group PEAK Matrix® for 2020

Everest Group PEAK Matrix®
Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2020 | Optum positioned as Leader

Everest Group Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2020

- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Vision & capability
(Measures ability to deliver services successfully)

Note 1:   Service providers scored using Everest Group's proprietary scoring methodology

Note 2:   Assessment for ACU-Serve, Aviacode, Himagine Solutions, IKS Health, MedAssist (Firstsource), Miramed Ajuba, nThrive, Prochant, R1 RCM, Teleperformance, Visionary RCM excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2020)

Optum | RCM operations profile (page 1 of 7)
Overview

Company profile

Optum is a leading health services innovation company. It creates simple, effective, and comprehensive solutions for organizations and consumers across the health system by integrating consumer experience, clinical expertise, data and analytics, and embedded technology into all their services. Optum provides end-to-end technology and managed services to optimize the revenue cycle from pre-registration to final payment.

Key leaders

- Robert Musslewhite, Chief Executive Officer, OptumInsight
- Sue Arthur, Chief Operating Officer, OptumInsight
- Paul Emerson, Chief Executive Officer, Provider Market
- John Holcomb, Chief Executive Officer, Optum Health, Population Health Solutions

Headquarters: Eden Prairie, Minnesota, the Unites States

Website: www.optum,com

Suite of services:

- Care management
- Compliance
- Diagnostics, treatment, and monitoring
- Financials and network management
- Patient engagement

RCM operations	2017[1]	2018[1]	2019[1]
Revenue (US$ million)			
Number of FTEs		Not disclosed	
Number of clients			

Recent acquisitions and partnerships

- **2019:** Partnered with John Muir Health to manage key non-clinical functions, including information technology, RCM, analytics, purchasing, and claims processing
- **2019:** Acquired Vivify Health, a startup that offers a mobile, cloud-based platform for remote patient care management
- **2019:** Acquired DaVita Inc., a leading independent medical group, to build next-generation, comprehensive, coordinated health care organization, and improve patient health and experiences while lowering costs across the continuum of care
- **2019:** Acquired Equian, a payment processing platform, to provide end-to-end payment integrity solutions, driving more efficient use of healthcare dollars for payers, providers, patients, and their communities
- **2019:** Acquired healthcare technology startup PatientsLikeMe, that provides online services to connect patients with others who have similar conditions, while focusing on healthcare improvements and innovation

Recent developments

- **2019:** Invested in Vim, a San Francisco-based platform, fostering collaboration between healthcare providers and payers
- **2019:** Invested in Health at Scale which is developing ML solutions for precision medicine. The technology matches patients with providers using AI
- **2019:** Invested in Kaia Health, which is developing a smartphone-based technology for chronic condition management

1   12 months ending December 31 of any particular year, i.e., from January 1, YYYY to December 31, YYYY

Optum | RCM operations profile (page 2 of 7)
Key delivery locations

Optum | RCM operations profile (page 3 of 7)
Capabilities and key clients

RCM operations mix by segment
Number of FTEs

100% = Not disclosed

Not disclosed

RCM operations revenue mix by geography
Revenue in US$ million

100% = Not disclosed

Not disclosed

RCM operations FTE split by delivery location
Number of FTEs

100% = Not disclosed

Not disclosed

RCM operations split by engagement model
Revenue in US$ million

100% = Not disclosed

Not disclosed

Key RCM operations engagements

Client name	Processes served	Region	Client since
John Muir Health	End-to-end revenue cycle, information technology, care coordination, analytics, and consulting	US	2019
Excela Health	End-to-end revenue cycle	US	2018
Cape Cod Healthcare	Revenue cycle	US	2017
Quest	End-to-end revenue cycle	US, UK, and LATAM	2016
Northwell Health	End-to-end revenue cycle	US	2015
Dignity Health, now part of CommonSpirit Health	End-to-end revenue cycle	US	2013
Westmed Medical Group	Revenue cycle, contact center, and IT	US	2012
Texas Health Physician Group	Revenue cycle	US	2008

Optum | RCM operations profile (page 4 of 7)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of operations clients
Hospital Services Outsourcing	Patient engagement, financials & network management, compliance, and care management	Not disclosed	It delivers predictable value for health systems by creating a partnership model that optimizes revenue cycle financial performance through a strategic infusion of commercial technology, people, and innovation assets. Optum360 then delivers pre-negotiated outcomes based on an optimal future state of operation and takes financial risk on that delivery	Not disclosed
Ambulatory Services Outsourcing	Patient engagement, financials & network management, compliance, and care management	Not disclosed	It is a strategic outsourcing model that delivers predictable revenue and cost savings and applies transformative revenue cycle and contact center operations for physician groups	Not disclosed
Computer Assisted Coding (CAC) Enterprise	Financials & network management	Not disclosed	It is a comprehensive solution designed to work together as a single answer to hospitals' coding and clinical documentation improvement needs	Not disclosed
CAC Professional	Financials & network management	Not disclosed	It provides the essential tools for professional coding operations, streamlines process, and drives accurate and efficient coding	Not disclosed
CDI 3D	Financials & network management	Not disclosed	It proactively identifies clinical documentation deficiencies and potential quality events at the point of care for review. CDI 3D uses intelligent automation to review all cases for all payers and provides prioritized work lists, a shared coding and CDI platform, and streamlined reporting	Not disclosed
Claims Manager (Professional and Facility)	Financials & network management and compliance	Not disclosed	It is a claims editing solution that helps lower denials rates and identifies unbilled revenue by automatically flagging claims for inaccurate coding and billing documentation, prior to payer submission	Not disclosed
Intelligent EDI	Patient engagement, financials & network management, and compliance	Not disclosed	It delivers electronic claims submission and management capabilities that help alleviate prolonged and error-prone claims feedback cycles to help organizations get paid quickly and accurately	Not disclosed
LYNX	Financials & network management	Not disclosed	It uses proprietary algorithms and regulatory guidelines maintained by industry experts to facilitate hospital and clinic charge capture and code assignment	Not disclosed

Optum | RCM operations profile (page 5 of 7)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of operations clients
Optum Physician Advisor Solutions	Financials & network management	Not disclosed	It is a suite of medical necessity utilization review services that blends physician advisor expertise, evidence-based medical research, and AI-powered technology platform (Case Advisor) to deliver efficiency, accuracy, and defensibility to Utilization Review (UR) and Clinical Documentation Improvement (CDI) processes and outcomes	Not disclosed
Payment Integrity Compass	Financials & network management	Not disclosed	It automates calculation of expected reimbursement to determine payment validity, recover payment defects, and model contracts with precision and speed	Not disclosed
A/R services	Financials & network management	Not disclosed	• Optum A/R Recovery Service provides short- or long-term supplemental dedicated staff to manage third-party insurance billing and follow-up to speed up cash recovery and reduce outstanding A/R • Optum A/R Conversion Service helps to collect aged receivables before, and shortly after a major revenue cycle management system conversion • Optum Denial Recovery Service offers a solution for increasing denied claims recovery and preventing future denials while improving efficiency and productivity • Optum Secondary Claim Service is a unique blend of service and technology allowing client's staff to focus on high-dollar primary claims while they manage their low-dollar and high-volume secondary claims	Not disclosed
Coding Services	Financials & network management	Not disclosed	It offers credentialed and trained coding resources to augment client organization's capabilities, supporting inpatient, outpatient, medical specialty, and ED coding services	Not disclosed
Optum Data Exchange	Financials & network management	Not disclosed	It empowers payer-provider collaboration by acquiring digital clinical health data from any source, in any format — from lab results to medications, discharge summaries to immunizations. This brings the data together and standardizes it for secure exchange	Not disclosed
Advanced Communication Engine	Financials & network management	Not disclosed	It allows health plans to send timely notifications and feedback to providers on actionable errors or information gaps that often trigger claim denials	Not disclosed

Optum | RCM operations profile (page 6 of 7)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of operations clients
Crimson Medical Referrals	Patient engagement	Not disclosed	It is an EMR-agnostic web-based referral tool, designed to improve efficiency and care coordination across preferred provider networks	Not disclosed
HealthPost	Patient engagement	Not disclosed	It is an online scheduling platform that integrates directly with the EMR, enabling scheduling through provider and third-party websites	Not disclosed
Enterprise Chargemaster Expert.com	Financials & network management and compliance	Not disclosed	It reviews the chargemaster automatically to flag potential lost revenue, compliance problems, or coding issues that lead to billing errors. By combining a set of tools to automate chargemaster code validation, data reviews, analysis, and updates, it improves efficiency and productivity	Not disclosed
Price Estimation	Patient engagement	Not disclosed	It helps providers deliver accurate cost of care estimates based on factors such as individual health plan coverage, co-pay, and deductible amounts	Not disclosed
Patient Help Line	Care management	Not disclosed	It provides 24/7 on-demand access to clinical experts available as an extension of the provider practice	Not disclosed

Optum | RCM operations profile (page 7 of 7)
Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

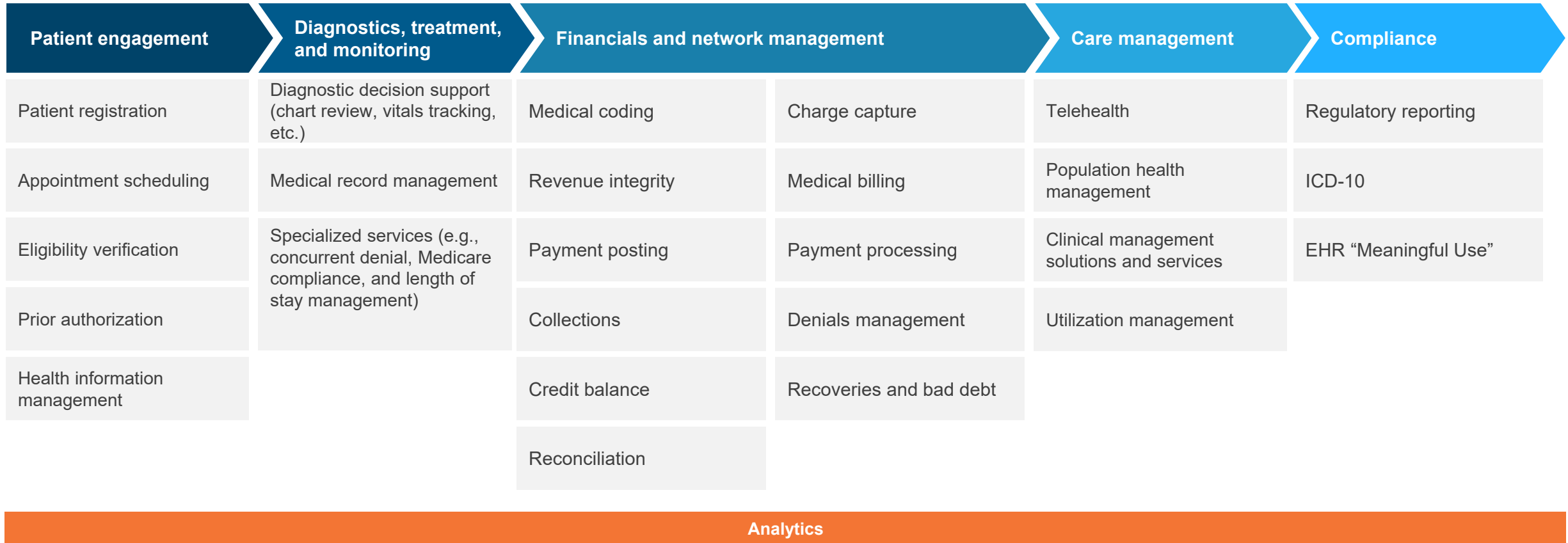| Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◕	◕	●	◔	◔	◔	◔	◑	◔

Strengths

- Optum's go-to-market strategy of consulting-led managed services, combined with strong offerings in both services and products part of RCM, provides it a unique value proposition

- Optum is one the few players to have a holistic offering on care management side by combining its clinical resources and advisory capabilities with its care coordination platform. Additionally, the acquisition of NaviHealth enables Optum to further automate this process, and provide solutions from pre-acute to post-acute setting

- Optum also provides clearinghouse capabilities of its own. This combined with its large scale in payer market and strong analytics solutions, enables it to draw insights around likelihood of claims denials and provide these value-added services to its provider clients

- While some of its immediate peers in the RCM solutions setting stick to an end-to-end approach of offering an integrated solution, Optum works on a flexible engagement model and can perform either services or technology, according to clients' need

Areas of improvement

- While Optum's transformative approach has been a successful strategy for large hospitals and health systems, it might not work for physician groups clients which do not necessarily have the capital for it

- With the offshore-based specialists and global IT/BPO firms gaining ground, both in technology investments and market penetration, Optum might find it challenging to match these players in cost savings

- Some of the referenced buyers highlighted the lack of proactiveness from Optum as an area of improvement

Appendix

Everest Group's view of the RCM operations value chain

Patient engagement	Diagnostics, treatment, and monitoring	Financials and network management		Care management	Compliance
Patient registration	Diagnostic decision support (chart review, vitals tracking, etc.)	Medical coding	Charge capture	Telehealth	Regulatory reporting
Appointment scheduling	Medical record management	Revenue integrity	Medical billing	Population health management	ICD-10
Eligibility verification	Specialized services (e.g., concurrent denial, Medicare compliance, and length of stay management)	Payment posting	Payment processing	Clinical management solutions and services	EHR "Meaningful Use"
Prior authorization		Collections	Denials management	Utilization management	
Health information management		Credit balance	Recoveries and bad debt		
		Reconciliation			

Analytics

Note: This report covers vertical-specific BPS within the revenue cycle management space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

Everest Group® RESEARCH

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
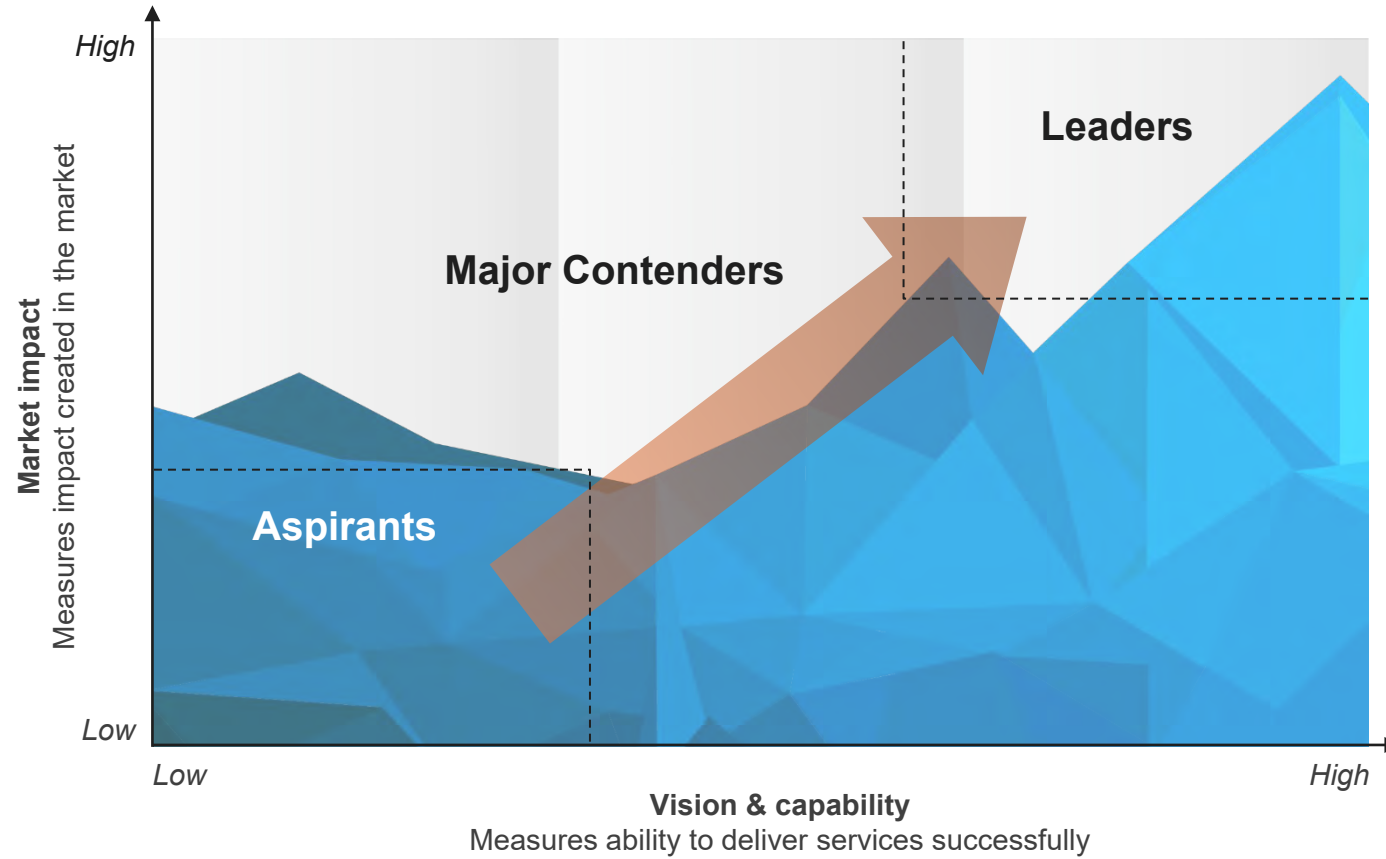
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption
Number of clients, revenue base, YOY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

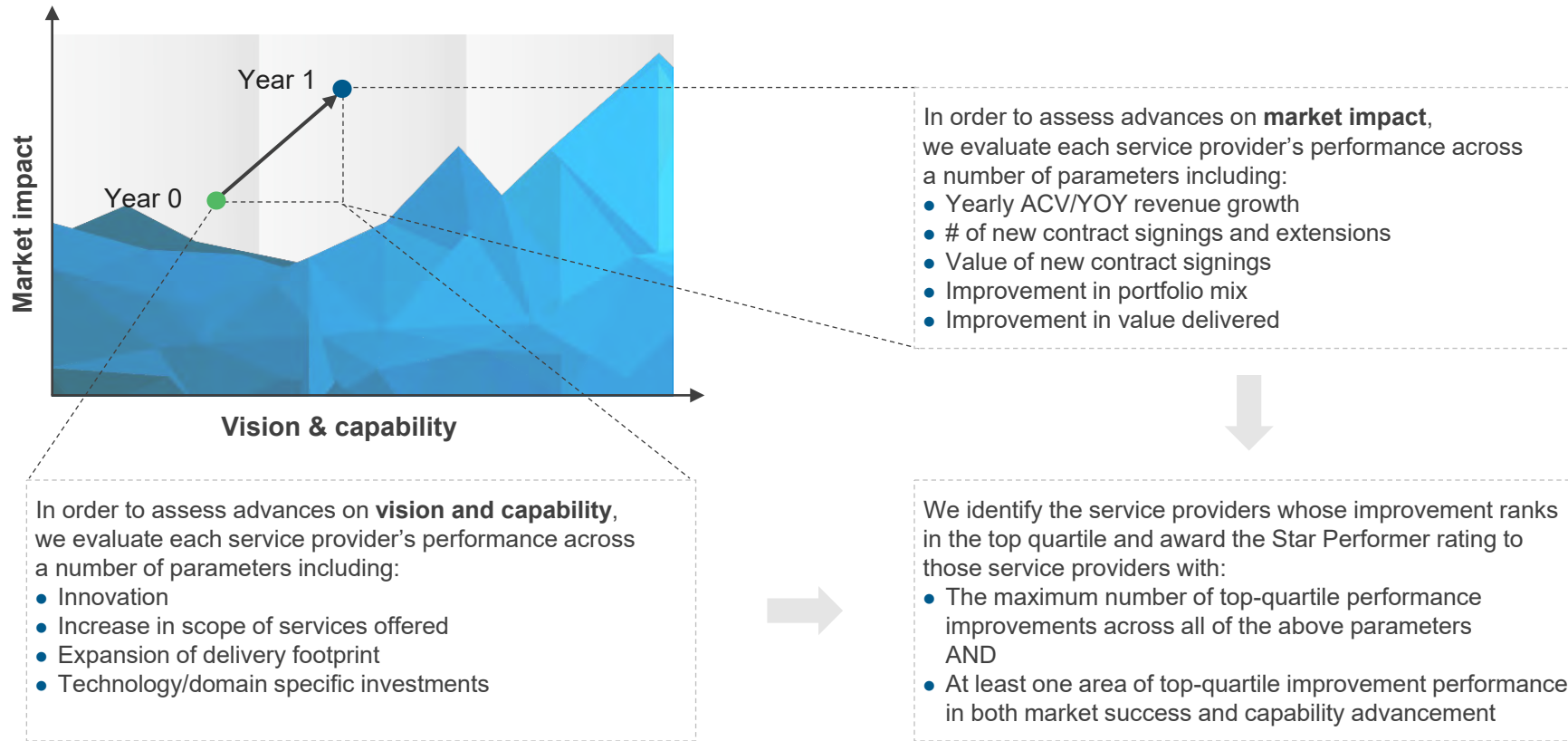| Value delivered |
| --- |
| Value delivered to the client based on customer feedback and transformational impact |

Market impact

Leaders

Major Contenders

Aspirants
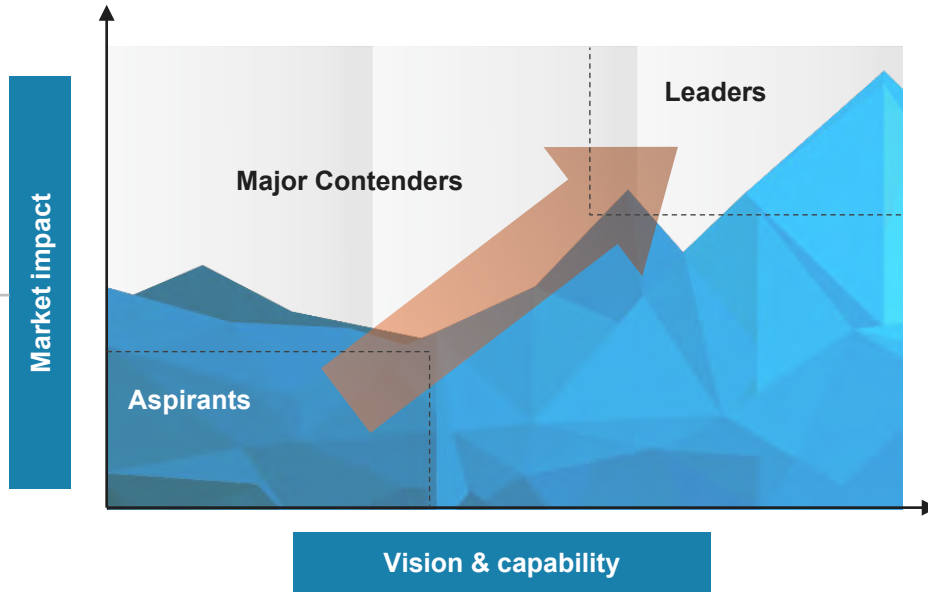
Vision & capability

Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix

In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

Everest Group®

With you on the journey

Everest Group is a consulting and research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global enterprises, service providers, and investors. Through our research-informed insights and deep experience, we guide clients in their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at **everestgrp.com**.

Stay connected

Website
everestgrp.com

Social Media

 @EverestGroup

 @Everest Group

 @Everest Group

 @Everest Group

Blog
everestgrp.com/blog

Podcast
DigitalReal**IT**y
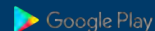
Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765